



ASSOCIATION NEWSLETTER

January 6, 2010

ANNUAL MEETING SCHEDULED FOR JANUARY 14, 2010, 6PM, AT GOLETA VALLEY COM CENTER (PROXY ENCLOSED)

The Annual Membership Meeting is scheduled for **January 14, 2010, at 6PM, in Rm #6, at the Goleta Valley Community Center** (5679 Hollister Ave, Goleta). Please mark your calendar and plan to attend.

Enclosed is your formal notice along with the proxy. *Even if you plan to attend, please complete the lower portion and return it to the Association.* If you plan to give your proxy to another person, please make sure he/she is an owner of a Grove unit. (Thank you to all who have already returned their proxies).

At this Meeting, there will be an Election of the Board. There will be 3 positions available, for 2 years each. (Laura Foster's, Todd Matson's, and Arthur Munoz's terms are expiring). If you are interested on serving on the Board, please have someone nominate you or you may nominate yourself. Also attached is the Election Procedures.

Thank you in advance for your attendance and/or your proxy.

At this time, the Association has **NOT** received proxies from the following units:

#102, 103, 104, 105, 106, 107, 113, 114, 115, 116, 117, 118, 119, 121, 122, 123, 124, 125, 126, 127, 128, 130, 133;

#201, 202, 203, 207, 208, 109, 210, 212, 213, 215, 217, 218, 219, 220, 221, 223, 225, 226, 228, 229, 235, 236, 238, 239, 241, 242, 243,

248, 249, 252, 253, 254, 255, 256, 260, 262, 263, 264, 265, 268, 270;

#301, 302, 304, 305, 306, 308, 309, 311, 312, 313, 315, 316, 317, 318, 319, 320, 321, 322, 323, 324, 325, 329, 330, 334, 335, 336, 337, 339, 340, 341, 342, 343, 346, 348, 349, 350, 351, 353, 354, 355, 358, 359, 362, 365, 367, 368, 370, 372.

BUDGET ATTACHED; NO CHANGE IN FEES
Enclosed is your copy of the 2010 Budget with "actual" year-end numbers along with new disclosures. As you can see, the Budget calls for the 2010 monthly fees to remain the same at...

\$380.00

If you are interested in the free auto pay service, please call the number below.

NEWSLETTER BEING SENT VIA EMAIL STARTING THIS MONTH (EMAIL ADDRESSES NEEDED)

In order to save our natural resources, cut waste, and reduce the Association expenses, the Association is sending out the monthly newsletters via email, starting this month. (It will continue to post the newsletters on its website). For those without computers, hard copies will continue to be sent.

Please send your email address to jamesn@bartlein.com to be put on the Association's address book. Please give us your name, unit address, and whether you are an owner or renter. Thank you.

**ASSOCIATION LOOKING FOR PERSON
THAT CAUSED DAMAGE
TO ENTRY COLUMN**

It appears that several days before Christmas, someone ran into the left column at the entry gate. If you know who this person is or which unit he/she lives, please contact the Association at the address below. Thank you.

**CHRISTMAS GIFT GIVEN
TO OUR GARDENER;**

The Association would like to thank everyone who sent in checks for our gardener, Jose Soto. All in all, he received over 30 checks totaling approx \$600+. He was so appreciative of everyone's generosity. Thank you.

**SMOKE & NOISE INSIDE UNIT
MAY AFFECT NEIGHBORS**

If you smoke inside your unit, please know that your smoke can somehow travel, via your vent/duct to your neighboring unit(s). It's been recently reported by a resident that when her neighbor smokes, she gets the noxious smell through her vent. Unfortunately, her health is negatively affected. If you smoke, you may want to go outside, away from the building, to do so.

In addition, noise may also transmit easily as the units are tightly situated. Whether it's loud music or TV, heavy feet, running inside the unit, noisy conversation, etc, your neighbors can hear and be bothered. Please be considerate to those living nearby. Thank you for your consideration.

**ASSOCIATION TO REPAIR LEAKY
PRESSURE REGULATOR AND
BILL UNIT OWNER**

In order to prevent damage to the foundation, seepage to lower units, and wasting of water, the Association will be repairing a leaking pressure regulator if it is not dealt within a week or less after a notice is distributed to the unit. All related costs will be passed on to the unit owner.

**OFFICIAL WEBSITE OF THE GROVE –
PLEASE CHECK FOR LATEST INFO**

The official website address for our Association is <http://EucalyptusGrove.org>. For your convenience, you can find important information and documents (CC&R's, By-Laws, Amendments, Guidelines, newsletters, agendas, minutes, notices, and other published correspondence) posted there. Many times the minutes have more information than what is in the newsletters. It is essential that all owners & residents are aware of the rules and regulations. In addition, if you have tenants, you are responsible for making sure they receive copies and comply with the rules & regulations. Thank you.

NEW INFORMATION NEEDED

If you have new phone numbers, tenants, or e-mail/mailling address, please notify the Association in writing at the address below. It is important that information is kept current to ensure that all appropriate parties receive newsletters, e-mail or special mailings, and for emergency purposes. In addition, to help you in your dealings with lenders, the Association keeps track of the owners / tenants ratio. Your cooperation is appreciated.

**BOARD MEETING SCHEDULED / REQUEST
TO BE IN WRITING**

The next monthly Board Meeting is scheduled for January 14, 2010, right after the Annual Meeting at the Goleta Valley Community Center (see front page for information). Unless otherwise notified, the meetings are usually held on the 2nd Thursday of the month. All owners are welcome. If you have a specific request for the Board to review, please put it in writing and send it at least 10 days before the meeting (to the address below). The agenda will be posted at the mailbox area and/or on the website several days before.

HAPPY NEW YEAR!!!

Prepared by: **BARTLEIN & COMPANY, INC.** (805) 569-1121 FAX (805) 682-4341

3944 State Street, Suite 200

Santa Barbara, CA 93105

Email: JamesN@bartlein.com

 Bartlein
& Company, Inc.

	CURRENT MONTH	% OF BUDGET	YEAR-TO-DATE	% OF BUDGET	ANNUAL BUDGET
BEGINNING BALANCE	5,000.00		5,000.00		
MAINT. FEES/ASSESSMENTS	66,788.54	8.2%	805,430.61	98.7%	816,240.00
LATE FEES	42.30	N/A	1,676.37	N/A	- 0 -
INTEREST INCOME	- 0 -	0.0%	- 0 -	0.0%	15,000.00
OTHER INCOME	60.00	N/A	950.00	N/A	- 0 -
TOTAL INCOME	66,890.84	8.0%	808,056.98	97.2%	831,240.00
CLEANING & JANITORIAL	1,470.00	12.3%	11,150.00	92.9%	12,000.00
ELECTRIC	1,509.55	6.6%	19,146.66	83.2%	23,000.00
FUEL - NATURAL GAS	- 0 -	N/A	533.42	N/A	- 0 -
LANDSCAPE MAINTENANCE	5,085.00	8.1%	61,020.00	96.9%	63,000.00
LANDSCAPE SUPPLY & EXTRAS	332.50	1.4%	7,629.48	31.8%	24,000.00
MANAGEMENT FEES	2,187.00	8.3%	26,244.00	100.0%	26,244.00
PAINTING & DECORATING	- 0 -	0.0%	349.26	34.9%	1,000.00
POOL MAINT & SUPPLIES	1,304.57	10.4%	10,759.10	86.1%	12,500.00
POOL HEATING (GAS)	745.81	7.5%	5,604.59	56.0%	10,000.00
REPAIRS & MAINTENANCE	12,356.38	24.7%	49,911.14	99.8%	50,000.00
RUBBISH REMOVAL	4,392.06	8.4%	51,980.42	100.0%	52,000.00
PATROL/ALARM SERVICES	- 0 -	0.0%	- 0 -	0.0%	2,500.00
SUPPLIES	605.45	15.1%	5,515.44	137.9%	4,000.00
WATER & SEWER	2,748.17	11.5%	25,142.52	104.8%	24,000.00
INSURANCE	4,385.10	3.2%	103,256.08	76.5%	135,000.00
PEST CONTROL	102.00	5.1%	306.00	15.3%	2,000.00
PROFESSIONAL FEES	- 0 -	0.0%	2,600.00	52.0%	5,000.00
TELEPHONE EXPENSE	37.69	7.5%	457.75	91.6%	500.00
MISCELLANEOUS EXPENSE	792.61	26.4%	1,813.00	60.4%	3,000.00
OPERATING EXPENSES	38,053.89	8.5%	383,418.86	85.3%	449,744.00
RESERVE EXPENDITURES	- 0 -	0.0%	154,573.28	48.7%	317,700.00
TOTAL EXPENDITURES	38,053.89	5.0%	537,992.14	70.1%	767,444.00
CASH FLOW: Income-Expense	28,836.95	45.2%	270,064.84	423.3%	63,796.00
INCOME TAX	- 0 -	0.0%	(3,469.00)	69.4%	(5,000.00)
TRANSFER TO RESERVE	(28,836.95)	49.0%	(331,595.84)	564.0%	(58,796.00)
TRANSFER FROM RESERVE	- 0 -	N/A	65,000.00	N/A	- 0 -
OTHER TRANSACTIONS	(28,836.95)	45.2%	(270,064.84)	423.3%	(63,796.00)
CURRENT BALANCE	5,000.00		5,000.00		

MEETING NOTICE

DECEMBER 1, 2009

**TO ALL OWNERS
EUCALYPTUS GROVE OWNERS ASSOCIATION**

The Annual Meeting of THE **EUCALYPTUS GROVE OWNERS ASSOCIATION** will be held on:

**JANUARY 14, 2010, at 6:PM
AT THE GOLETA VALLEY COMMUNITY CENTER (ROOM #6)
5679 HOLLISTER AVE., GOLETA**

The agenda for the meeting is as follows:

1. Roll Call
2. Proof of Notice of Meeting
3. Reading of the Minutes
4. Officers Reports
5. Election of Board (3 Positions for 2 years each)
6. Old Business
7. New Business – a) Including Excess Funds Resolution
b) Board Action Confirmation

IMPORTANT -- EVEN IF YOU ARE PLANNING TO ATTEND THE MEETING,
PLEASE COMPLETE AND RETURN THE PROXY (BELOW). IF YOU ATTEND THE MEETING
THE PROXY WILL BE CANCELED. Please feel free to call if you have questions. Thank you.

EUCALYPTUS GROVE OWNERS ASSOCIATION,
by Bartlein & Company, Inc., Managing Agent

(Tear Here and Return Lower Portion)

I hereby authorize _____ (or if no name is filled in, I then authorize the Board of Directors) to vote on my behalf on any and all matters requiring my vote at the **January 14, 2010**, meeting and any adjournment or continuance thereof, of the **EUCALYPTUS GROVE OWNERS ASSOCIATION**. This proxy revokes and supersedes all previous proxies.

UNIT ADDRESS(ES): _____

OWNER'S NAME (Please Print): _____

OWNER'S SIGNATURE: _____

I (We) DO ☐ DO NOT ☐ Plan to Attend DATE SIGNED: _____ 20__

Please complete and return to the address below. Thank you.

Meet.Doc 1/00

Prepared by: BARTLEIN & COMPANY, INC. (805) 569-1121 FAX (805) 682-4341
3944 State Street, Suite 200
Santa Barbara, CA 93105



Eucalyptus Grove Homeowners Association Annual Membership Meeting

January 8, 2009

Minutes

(Subject to Homeowner's Approval)

The meeting was held in Room 6 at the Goleta Valley Community Center, 5679 Hollister Ave., Goleta, CA.

Board President, Todd Matson, called the meeting to order at 6:35 pm.

Board Members present:

Laura Foster
Craig Nicholson
Arthur Nunez

Marco Innocenti

Also in attendance:

Bob Bartlein and James Nguyen--Bartlein and Company, Inc..

Bill Bold--Scribe

Roll Call

A total of 85 units were represented in person or by proxy.

A quorum was not achieved since 90 was needed..

The Association members present elected to proceed, with this "unofficial" meeting.

The adjourned meeting is rescheduled for Thursday, February 5, 2009, at 6:30 pm, to be held in the Assn. Meeting Room, 7610 Hollister Ave., Goleta, CA, at which time the Board, with its proxies, will ratify any actions taken at this evening's meeting.

Proof of Notice

All owners of record were sent Notice of Meeting on December 2, 2008.

Prior Meeting Minutes

The members present approved the minutes from last year's Annual Meeting.

Officer's Reports

The **Treasurer's Report** was read, with the following year-end totals:

Total Revenue	\$936,422.18
Operating Expenses	371,567.51
Res. Expenditures	186,776.66
Total Expenditures	557,515.17
Reserve Total	\$603,329.63

As of 12/31/08, the Association Reserve is 42.2% fully funded.

The Treasurer's Report was accepted as presented.

Board President, Todd Matson, introduced members of the Board.

Election of Board

The term of two Board Members expires at this meeting.

Board Members Marco Innocenti and Craig Nicholson acknowledged their two-year term on the Board has now concluded.

The following Association members were **nominated** to serve a two-year term on the Board: Craig Nicholson & Nathan Walter

(Jon Jackson was nominated but declined the nomination)

It was moved to close the nominations, unanimously elect the slate, and to waive the secret balloting required by the CA civil code. Seconded. Unanimously approved and elected.

Old Business

No issues were addressed.

New Business

The members present unanimously approved the “**Excess Funds Resolution**”.

The membership unanimously and officially thanked the Board Members for their dedication and hard work and ratified their actions taken this past year on behalf of the Association..

Topics of Discussion included:

- Earthquake Insurance and relation to Fire and Homeowner's Insurance;
- Water pressure regulator maintenance/replacement;
- Projected maintenance/repair projects for 2009;
- Roof maintenance and repair;
- Gutter damage;
- Annual Gift to Gardener.

Adjournment

The **2009 Annual Meeting** was adjourned at 7:17 pm.

By Bill Bold, Scribe

BOARD ELECTION PROCEDURES

Conduct of Elections to the Board of Directors:

1. Nominations to the Board will be made at or prior to the annual meeting of the association. Nominations may be made by a nominating committee, any unit owner, or by the nominee. The qualifications to serve on the Board are as per the association By-laws. Candidates and other owners advocating a point of view shall be allowed to distribute information in the association's publications.
2. If the number of nominations is equal to or less than the number of Board slots open, the chair of the meeting will ask for a motion to close the nominations and to waive the requirement for a written, secret ballot. If all individuals who are present and qualified to vote unanimously waive the right to vote by secret ballot and to elect the slate by acclamation, the slate will be elected. If one or more qualified voters request a secret ballot, the voting procedure as below will apply.
3. If there are more nominees than Board slots open:
 - a. The Board will caucus at the annual meeting to appoint an "inspector of elections". The inspector shall be an owner who is not on the Board, is not a nominee for the Board, is not related to a nominee for the Board, and is not related to a member of the current Board.
 - b. The inspector of elections may appoint one or more assistants providing each meets the requirements of "3a."
 - c. Secret ballots will be mailed to each owner of record. The annual meeting will be "continued" for at least 30 days after the ballots are mailed, at which time the ballots will be counted.
 - d. Members will vote the ballots which will then be, placed in an envelope, and then placed into another envelope. The outer envelope shall include the unit address and name of the person voting. The inner envelopes shall have no identification. Both envelopes shall be opened only by the inspector of elections.
 - e. If the By-laws provide for and if any owner requests it, voting shall be by cumulative voting.
 - f. The inspector of elections shall count the ballots. If a quorum is required, each ballot received by the inspector of elections shall be treated as a member present at a meeting for the purposes of establishing a quorum. Those persons receiving the largest number of votes shall be deemed elected.
4. Ballots shall be retained by the Board Secretary for at least one year after the election.
5. The above describe election procedures are provided for the sole purpose of satisfying the provisions of California Civil Code section 1363.03 and are not intended to in any way conflict with California law or the association's Bylaws. To the extent of a conflict between the above procedures and the association's Bylaws, the Bylaws will prevail. To the extent of a conflict between the above procedures and California law, the provisions of California law will prevail.

Note: While the above procedures are believed to conform to the requirements of the California Civil Code, they were prepared without review by legal counsel.

Adopted: 12 / 14 / 06

OWNERS
EUCALYPTUS GROVE Association
By Catherine J. Lyons, Secretary
Election Procedures, Nov., 2006

EUCALYPTUS GROVE HOMEOWNERS' ASSOCIATION

FINANCIAL & BUDGET

	2010 BUDGET	2009 ACTUAL	2008 ACTUAL	2007 ACTUAL	2006 ACTUAL
-- REVENUES --					
OWNER ASSESSMENTS	\$816,240.00	\$805,430.61	\$815,728.80	\$730,416.44	\$628,071.54
SPECIAL ASSESSMENT	0.00	0.00	0.00	0.00	25,857.36
INTEREST INCOME	8,500.00	10,719.49	13,784.13	13,263.20	25,840.33
OTHER INCOME	0.00	2,626.37	106,909.25	2,791.44	10,650.00
TOTAL REVENUE	\$824,740.00	\$818,776.47	\$936,422.18	\$746,471.08	\$690,419.23
-- EXPENDITURES --					
CLEANING	\$12,000.00	\$11,150.00	\$9,405.00	\$10,970.00	\$13,984.00
ELECTRIC	23,000.00	19,146.66	20,809.92	21,738.22	20,342.88
LANDSCAPING	63,000.00	61,020.00	61,020.00	54,035.00	55,020.00
LANDSCAPING SUPPLY/EXTRAS	24,000.00	7,629.48	8,625.15	12,340.15	15,608.69
MANAGEMENT	26,772.00	26,244.00	24,756.00	23,916.00	22,668.00
PAINTING	1,000.00	349.26	600.93	349.00	3,775.00
POOL MAINT & SUPPLIES	12,500.00	10,759.10	19,215.79	15,936.69	10,234.22
POOL HEATING (GAS)	10,000.00	6,138.01	7,041.47	7,388.95	7,334.66
REPAIRS & MAINT	50,000.00	49,911.14	31,922.83	30,877.75	36,561.76
RUBBISH REMOVAL	53,000.00	51,980.42	49,124.43	49,789.03	48,036.54
PATROL/ALARM SERVICES	2,500.00	0.00	0.00	0.00	1,008.00
SUPPLIES	5,000.00	5,515.44	4,519.61	3,468.55	2,942.53
WATER & SEWER	25,000.00	25,142.52	25,897.33	24,300.52	17,029.26
INSURANCE	110,000.00	103,256.08	102,022.99	128,213.28	135,133.07
PEST CONTROL	2,000.00	306.00	466.00	619.00	1,447.00
PROFESSIONAL FEES	5,000.00	2,600.00	2,784.30	8,888.58	16,029.31
TELEPHONE (ENTRY GATE)	500.00	457.75	441.58	427.38	387.51
TAXES	3,000.00	3,469.00	829.00	8,563.00	1,764.00
MISCELLANEOUS	3,000.00	1,813.00	2,085.18	2,099.46	4,010.96
TOTAL OPERATING EXPENSES	\$431,272.00	\$386,887.86	\$371,567.51	\$403,920.56	\$413,317.39
Plus: Amount Added to Reserve	393,468.00	431,888.61	564,854.67	342,550.52	277,101.84
TOTAL FUNDS NEEDED	\$824,740.00	\$818,776.47	\$936,422.18	\$746,471.08	\$690,419.23
CHANGE IN RESERVE:					
Total Funding	\$824,740.00	\$818,776.47	\$936,422.18	\$746,471.08	\$690,419.23
Less: Operating Expenses	(431,272.00)	(386,887.86)	(371,567.51)	(403,920.56)	(413,317.39)
Reserve Expenditures	(460,100.00)	(154,573.28)	(186,776.66)	(378,505.22)	(538,809.74)
NET RESERVE Increase (Decrease)	(\$66,632.00)	\$277,315.33	\$378,078.01	(\$35,954.70)	(\$261,707.90)

Item #1. MONTHLY FEES: In order to meet this budget, the monthly fees (assessments) will be:

(179 Units-13 Bldgs) **\$380.00 EFFECTIVE JANUARY 1, 2010**

Note: Units paying fees after the 30th day of the Month, will be charged a late charge of 1.5% of the outstanding balance

Item #2. SPECIAL ASSESSMENT: No Special Assessment is anticipated in 2010.

Item #3. FUNDS AVAILABLE:

12/31/09	Community West Bank	\$215,644.96		
	CDAR's Accounts	660,000.00		
	Operating Account	5,000.00	TOTAL	\$880,644.96
		-----		=====

Item 4. MAJOR REPAIRS AND REPLACEMENTS: The following cost estimates and reserve analysis is based on a reserve study which is reviewed by the Board of Directors each year to account for inflation and planning changes:

ITEM-Expected Life	EXPECTED		RECOMMENDED		BALANCE NEEDED	2010 ADDITIONS	PROJ. BAL. 12/31/10
	LIFE	DATE DUE	EXPECTED COST	IN RESERVE 12/31/09			
Roof Shingle (3 Bldgs)	25	2010	66,000	66,000	0	(63,360)	2,640
Foundation Repair	30	2010	195,000	195,000	0	(188,500)	6,500
Paint Metal Fence & Rail	3	2010	6,400	6,400	0	(4,267)	2,133
Termite Fumigation (Bal)	15	2010	19,100	19,100	0	(17,827)	1,273
Stair Landing Reseal	4	2010	11,000	11,000	0	(8,250)	2,750
Paint Wood/Metal Trim	4	2010	74,200	74,200	0	(55,650)	18,550
Gate Operator (Slide)	10	2010	2,800	2,800	0	(2,520)	280
Cabana Water Htr.	12	2010	2,700	2,700	0	(2,475)	225
Pool Pump	6	2010	800	800	0	(667)	133
Spa Pumps	6	2010	1,700	1,700	0	(1,417)	283
Gate Operator (Slide)	10	2010	2,800	2,800	0	(2,520)	280
Paint Carports	6	2010	76,300	76,300	0	(63,583)	12,717
Spa Filter	12	2010	1,300	1,300	0	(1,192)	108
Roof Shingle (5 Bldgs)	25	2011	110,000	105,600	4,400	4,400	110,000
Tree Trimming	3	2012	15,900	5,300	10,600	5,300	10,600
Paint - Wood Siding	6	2012	152,600	101,733	50,867	25,433	127,167
Mailbox Pagodas	15	2012	12,700	11,007	1,693	847	11,853
Lights-Street Fixtures	28	2012	22,300	20,707	1,593	796	21,504
Asphalt Overlay	28	2013	190,000	169,643	20,357	6,786	176,429
Asphalt Seal Coat/Repair	4	2013	22,900	5,725	17,175	5,725	11,450
Paint Front Wood Fence	6	2013	6,400	3,200	3,200	1,067	4,267
Spa Retile	30	2014	5,300	4,593	707	177	4,770
Stair Rails (3.5')	30	2014	11,700	10,140	1,560	390	10,530
Metal Pool Fence (6')	30	2014	6,500	5,633	867	217	5,850
Cabana Floor & Wall Tile	30	2014	10,300	8,927	1,373	343	9,270
Termite Fumigation (7600)	15	2014	6,400	4,693	1,707	427	5,120
Termite Fumigation (7630)	15	2015	6,400	4,267	2,133	427	4,693
Spa Heater	8	2016	4,000	1,000	3,000	500	1,500
Pool Filter	12	2016	1,400	700	700	117	817
Pool Heater	10	2016	3,500	1,400	2,100	350	1,750
Sauna Heater	15	2016	2,700	1,620	1,080	180	1,800
Termite Fumigation (7634)	15	2016	6,400	3,840	2,560	427	4,267
Stair Landing Resurface	20	2017	44,100	28,665	15,435	2,205	30,870
Bridge Repair	15	2017	10,600	5,653	4,947	707	6,360
Termite Fumigation (7620)	15	2017	6,400	3,413	2,987	427	3,840
Siding Replacement	20	2017	636,000	413,400	222,600	31,800	445,200
Sub-Totals			\$1,754,600	\$1,380,960	\$373,640	(\$323,181)	\$1,057,779

Sub-Totals (Previous Pg):		1,754,600	1,380,960	373,640	(323,181)	1,057,779
Pool Tile/Coping	20 2018	5,300	3,180	2,120	265	3,445
Pool Replaster	10 2018	10,600	2,120	8,480	1,060	3,180
Exercise Room Equip.	15 2024	6,400	427	5,973	427	853
Concrete Replacement	30 2039	70,000	2,333	67,667	2,333	4,667
Roof - Metal Carport	30 2018	159,000	116,600	42,400	5,300	121,900
Termite Fumigation (7632)	15 2018	6,400	2,987	3,413	427	3,413
Split Rail Fence	35 2019	5,700	4,234	1,466	163	4,397
Termite Fumig. (7602)	15 2019	6,400	2,560	3,840	427	2,987
Termite Fumig. (7610)	15 2019	6,400	2,560	3,840	427	2,987
Intercom	15 2021	4,000	1,067	2,933	267	1,333
Card Readers/Buzzers	15 2021	4,200	1,120	3,080	280	1,400
Termite Fumigation (7636)	15 2022	6,400	1,280	5,120	427	1,707
Termite Fumigation (7640)	15 2022	6,400	1,280	5,120	427	1,707
Slide Gates	25 2022	6,400	3,328	3,072	256	3,584
Termite Fumigation (7624)	15 2023	6,400	853	5,547	427	1,280
Gutters/Downspouts	20 2024	37,100	11,130	25,970	1,855	12,985
Front Wood Fence	20 2027	19,100	2,865	16,235	955	3,820
Siding Replacement	20 2028	106,000	10,600	95,400	5,300	15,900
Roof Shingle 7624 & 28	25 2031	40,000	6,400	33,600	1,600	8,000
Roof Shingle 7626, 30 & 32	25 2031	63,600	10,176	53,424	2,544	12,720
Cabana Sauna/Bath Rentr	26 2034	5,300	408	4,892	204	612
Reserve Surplus (Shortage)			(660,239)	660,239	240,829	(419,410)
		-----	-----	-----	-----	-----
TOTALS		\$2,335,700	\$908,229	\$1,427,471	(\$56,984)	\$851,244

Item #5: Ratio of actual cash reserves on hand to estimated cash reserves currently required

57.9%	Projected Ratio at Year-End	67.0%
=====		=====

Item #6: Reserve Shortage per unit:

(\$3,688.49)	(\$2,343.07)
=====	=====

Item #7: Reserve Projections at year-end for next five years:

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Estimated Required in Reserve	\$1,270,655	\$1,322,942	\$1,281,729	\$1,224,716	\$1,346,804
Based on Current Funding:					
Net Change In Reserves	(56,984)	283,468	189,968	174,168	353,268
Projected Reserve Balance	851,244	1,134,712	1,324,680	1,498,848	1,852,116
Projected Percentage Funded	67.0%	85.8%	103.4%	122.4%	137.5%
Based on Plan Being Implemented:					
Net Change In Reserves Per Plan	(56,984)	283,468	147,017	(57,013)	122,088
Projected Balance Per Plan	851,244	1,134,712	1,281,729	1,224,716	1,346,804
Projected Percentage Per Plan	67.0%	85.8%	100.0%	100.0%	100.0%

Item #8: Reserve Funding Plan: The Board of Directors has adopted a plan to fully fund the reserves with increases in assessments and/or special assessments as needed. In the event of a surplus, the Board will reduce assessments as needed to eliminate the surplus in an orderly fashion. Increases or decreases in assessments shall be effective annually on January 1st in an amount adequate to meet increased operating costs and to fund the reserves.

Item #8a: The last reserve study was prepared by J.D. Brooks as of December, 2007.

Item #8b: Estimated Annual Interest Rate Earned on Reserve Funds: 1%
Estimated Annual Rate of Inflation: 0%

NOTES:

IN 2006:

1. New gate system installed with new openers & access cards (\$9,700-Openers were paid by assoc & sold to members).
2. Various trees trimmed throughout complex (Approx \$5,600).
3. Utility doors at 7634 replaced (Approx \$1,200).
4. Creekbed outlet #2 renovated (Approx \$8,800).
5. Exit gate damaged by unknown car replaced (Approx \$3,000).
6. Pool heater replaced (Approx \$3,300).
7. Carport roofs cleaned (Approx \$4,200).
8. Bender boards replaced throughout complex (Approx \$3,400).
9. Reroofed 7626, 7630, & 7634 (Approx \$54,400).
10. Dryrot & siding repaired or replaced at units #228, 229, 230, 231, 232, 236, 240, 245, 248, 249, 250, 251, 252, 328, 329, 330, 331, 332, 334, 335, 336, 337, 338, 340, 341, 345, 348, 349, 350, 351, 352, 353, 358, 359, 370, & 372 (Approx \$453,200).
11. The cost of earthquake insurance increased dramatically due to its general unavailability. The unexpected cost was borrowed from reserves which the Board voted to replace over three years.

IN 2007:

1. Bldgs 7636 & 7640 were fumigated for termites (Approx \$11,500).
2. Fence along Hollister Avenue replaced (Approx \$30,000).
3. Reserve Study done by JD Brooks (\$1,100).
4. Plants and irrigation installed on creekside of 7628 (Approx \$1,630).
5. Dryrot repaired at 202, 206, 207, 208, 209, 216, 217, 220, 244, 268, 271, 272, 303, 304, 305, 306, 307, 308, 309, 310, 311, 312, 316, 317, 344, 368, 371, & 372. Replaced siding was painted. (Approx \$273,000).
6. The Board modified the reserve study by moving part of the roofing to 2008, increasing siding replacement reserves, changing the dates for exercise equipment and painting wood siding, & adding a reserve for concrete replacement.
7. Leaks under pool deck repaired (Approx \$2,200).
8. Dryrot repaired at #248, 259, 313, 348, 359, & 362 (Approx \$65,200).
9. Trees pruned around buildings & 8 new trees planted (Approx \$3,500).
10. Carport at 7634 hit by car. Repair cost reimbursed by insurance company (Approx \$4,500).

IN 2008:

1. Bldg 7624 fumigated for termites (Approx \$4,900).
2. Large Eucalyptus tree removed (Approx \$4,600).
3. Jacuzzi heater replaced (Approx \$3,800).
4. Trees trimmed throughout complex (Approx \$6,000).
5. New chemtrol installed for pool (Approx \$3,600).
6. Pool resurfaced, coping replaced & drains split (Approx \$22,300).
7. Majority of pool deck replaced (Approx \$10,000).
8. Wood in sauna replaced (Approx \$5,400).
9. Settlement received from Forester on siding (Approx \$103,900).
10. Dry rot repaired & painted at units #104, 207, 210, 211, 212, 219, 220, 257, 307, 308, 309, 310, 311, 312, 319, 333, 357, 366, & 367 (Approx \$107,000).
11. Projected cost of Major Repairs & Replacements increased by 6% to anticipate increases due to inflation.
12. Jacuzzi brought up to code-new drains & rails (Approx \$2,300).
13. Dry rot repaired at #205 back balcony (Approx \$19,000).

IN 2009:

1. Preventive maintenance performed on all roofs (Approx \$4,000).
2. Building 7628 reroofed (Approx \$22,600).
3. Woodchips spread throughout common area (Approx \$1,600 for supplies only).
4. Raised concrete replaced at 7264, 7626, 7630, 7632, 7634, 7638, & 7640 (Approx \$8,600).

5. Building 7624 reroofed (Approx \$15,600).
6. Elliptical exercise machine & weights replaced (Approx \$1,100).
7. Trees trimmed throughout complex (Approx \$6,400).
8. Dryrot repaired at #214, 217, 313, 323, 234, 325, 339, 342, 343 & 363 and carport facia at 234 & 334 and a number of trash enclosures (Approx \$48,000).
9. Lumber & siding material purchased for dryrot project (Approx \$6,400).
10. Repaired dryrot areas painted (Approx \$5,700).
11. Asphalt slurry sealed (Approx \$42,000).
12. Structural & soil engineers hired to investigate 7606 foundation (Approx \$6,000).
13. Temporary supports installed for foundation of 7606 (Approx \$1,200).
14. Section of sewer line replaced near 7632 #124 (Approx \$1,200).
15. Roof maintenance performed on all roofs (Approx \$4,000).
16. Surface drains near 7606 inspected with camera (Approx \$1,300).

Item #9. INSURANCE: California Civil Code Section 1365 requires an annual insurance disclosure of the Association's insurance as follows:

GENERAL LIABILITY INSURANCE:

Company: Allstate Insurance Company
Coverage: \$2,000,000 Per Occurrence
Umbrella: \$1,000,000 Per Occurrence

Anniversary Date: November 15th

Deductible: None

Anniversary Date: March 5th

PROPERTY INSURANCE: Coverage: \$27,899,000

Company: Allstate Insurance Company

Anniversary Date: November 15th

Deductible: \$10,000

EARTHQUAKE INSURANCE: Coverage: \$30,466,890

Company: Empire Insurance, Princeton E&S, & Lloyds of London

Anniversary Date: November 15th

Deductible: 5% of Total Insurable Value

FIDELITY INSURANCE: Coverage: \$150,000

Company: Allstate Insurance Company

Anniversary Date: November 15th

Deductible: \$250

FLOOD INSURANCE: The Association has none.

This summary of the association's policies of insurance provides only certain information, as required by subdivision (f) of Section 1365 of the Civil Code, and should not be considered a substitute for the complete policy terms and conditions contained in the actual policies of insurance. Any association member may, upon request and payment of reasonable duplication charges, obtain copies of those policies. Although the association maintains the policies of insurance specified in this summary, the association's policies of insurance may not cover your property, including personal property, or real property improvements to or around your dwelling, or personal injuries or other losses that occur within or around your dwelling. Even if a loss is covered, you may nevertheless be responsible for paying all or a portion of any deductible that applies. Association members should consult with their individual insurance broker or agent for appropriate coverage.

REQUIRED DISCLOSURES:

ASSESSMENT AND RESERVE FUNDING DISCLOSURE SUMMARY FOR CURRENT BUDGET YEAR (Required by Civil Code Section 1365.2.5)

Item #'s are found on the first few pages.

(1) The regular assessment per ownership interest is as per **Item #1**. Note: If assessments vary by the size or type of ownership, the assessment applicable to the ownership interest may be found on the page of the attached summary as per **Item #1**.

(2) Additional regular or special assessments that have already been scheduled to be imposed or charged, regardless of the purpose, if they have been approved by the Board and/or members are as per **Item #2**. Note: If assessments vary by the size or type of ownership interest, the assessment applicable to the ownership interest may be found as per **Item #2**.

(3) Based upon the most recent reserve study and other information available to the board of directors, will currently projected reserve account balances be sufficient at the end of each year to meet the association's obligation for repair and/or replacement of major components during the next 30 years?

Subject to the information available as of the date of preparation hereof:

If the ratio as per **Item #5** is equal to or exceeds 100%, the answer is "Yes" for the years shown.

If the ratio is less than 100%, the answer is "No".

If the ratios as per **Item #7** are equal to or exceed 100% over the next 5 years, the answer is "Yes".

If the ratios are less than 100%, the answer is "No".

(4) If the answer to (3) is no, what additional assessments or other contributions to reserves would be necessary to ensure that sufficient reserve funds will be available each year during the next 30 years that have not yet been approved by the board or the members?

An assessment averaging the "Reserve Shortage" (if any) per unit would be necessary as per **Item #6**.

(5) The board has reasonably determined that all major components are included in the reserve study and are included in its calculation.

(6) Based on the method of calculation in paragraph (4) of subdivision (b) of Section 1365.2.5 of the California Civil Code, the estimated amount required in the reserve fund at the end of the current budget year is as per **Item #4**, based in whole or in part on the last reserve study or update prepared as per **Item #8a**. The projected reserve fund cash balance at the end of the current budget year is as per **Item #4**, resulting in the percentage of reserve funding being as per **Item #4**. If an alternate, but generally accepted, method of calculation is also used, the required reserve amount is explained as per **Item #4**.

7) Based on the method of calculation in paragraph (4) of subdivision (b) of Section 1365.2.5 of the California Civil Code, the estimated amount required in the reserve fund at the end of each of the next five budget years is as per **Item #7** and the projected reserve fund cash balance in each taking into account only assessments already approved and other known revenues, is as per **Item #7**, leaving the reserve at the percent funding as per **Item #7**. If the reserve funding plan approved by the association is implemented, the projected reserve fund cash balance in each of those years and the percent funding will be as per **Item #7**.

NOTE: The financial representations set forth in this summary are based on the best estimates of the preparer as of the date of preparation. The estimates are subject to change. At the time this summary was prepared, the assumed long-term before-tax interest rate earned on reserve funds was as per Item #8b, and the assumed long-term inflation rate to be applied to major component repair and replacement costs was as per Item #8b.

For the purposes of preparing this Summary Section 1365.2.5 (b) of the Civil Code states:

(1) "Estimated remaining useful life" means the time reasonably calculated to remain before a major component will require replacement.

(2) "Major component" has the meaning used in Section 1365.5. Components with an estimated remaining useful life of more than 30 years may be included in a study as a capital asset or disregarded from the reserve calculation, so long as the decision is revealed in the reserve study report and reported in the Assessment and Reserve Funding Disclosure Summary.

(3) The form set out in subdivision (a) shall accompany each pro forma operating budget or summary thereof that is delivered pursuant to this article. The form may be supplemented or modified to clarify the information delivered, so long as the minimum information set out in subdivision (a) is provided.

(4) For the purpose of the report and summary, the amount of reserves needed to be accumulated for a component at a given time shall be computed as the current cost of replacement or repair multiplied by the number of years the component has been in service divided by the useful life of the component. This shall not be construed to require the board to fund reserves in accordance with this calculation.

Note: The information contained in this disclosure is a PROJECTION ONLY. Because the reserve study is a projection, the estimated lives and costs of components will likely change over time depending on a variety of factors such as (i) future inflation rates, (ii) levels of maintenance applied by future boards, unknown defects in materials that may lead to premature failures, etc. As a result, some components may experience longer lives while others will experience premature failures. Some components may cost less at the time of replacement while others may cost more.

MINUTES & NAMES AVAILABLE: Each year the Association is required to disclose that minutes for all Association or Directors' meetings, and a list of owners are available to all owners. The cost, if any, of providing copies of the minutes and owners' list is to be paid by the requester.

DELINQUENCY & LIEN POLICY: Unless otherwise stated all fees and assessments (including special assessments) are due on the first day of each month, in advance, and shall be delinquent 15 days after the due date. A late charge of 10% of the delinquent fee or assessment will be charged and added to the amount due. If fees, assessments, and/or late charges are unpaid at the end of any given month, a lien will be filed against the delinquent unit for the full amount due plus applicable interest, attorney fees, lien filing costs and other costs of collection. If the balance due is not paid within thirty (30) days after the lien is filed, the Association may take any and all actions permitted by law including, but not limited to, filing suit and/or foreclosing the lien.

PRIOR ADR REQUIRED: Each year the association is required to disclose that before an association or member files a lawsuit to enforce the governing documents, (other than for the collection of assessments), the parties must attempt to resolve the dispute by use of Alternative Dispute Resolution. "Failure of any member of the Association to comply with the alternative dispute resolution requirements of Section 1369.520 of the Civil Code may result in the loss of your rights to sue the association or another member of the association regarding enforcement of the governing documents or the applicable law."

INTERNAL DISPUTE RESOLUTION PROCESS: The Association has adopted the procedures as per Section 1363.840 of the Civil Code.

INSURANCE: See summary as per Item #9.

MODIFICATIONS REQUIRE PRIOR APPROVAL: Each year the Association is required by Section 1378 of the Civil Code to disclose that all modifications or alterations which alter the common area or the exterior appearance of any structure in any way, require prior written approval of the Board of Directors or a designated committee of the Board. In addition, any alterations to the structure of any unit or building or alterations which may impact another owner in any way also require prior written approval.

Written requests must be submitted to the Board or designated committee for approval which shall approve, conditionally approve, or reject the request in writing within a reasonable time, but in no event later than ninety days from date of receipt of the request. If denied, the requestor shall be given the opportunity to appeal the decision or ask for reconsideration of the Board at the Board's next regularly scheduled meeting.

The following is a notice required by Civil Code Section 1365.1:

NOTICE: ASSESSMENTS AND FORECLOSURE

This notice outlines some of the rights and responsibilities of owners of property in common interest developments and the associations that manage them. Please refer to the sections of the Civil Code indicated for further information. A portion of the information in this notice applies only to liens recorded on or after January 1, 2003. You may wish to consult a lawyer if you dispute an assessment.

ASSESSMENTS AND FORECLOSURE

Assessments become delinquent 15 days after they are due, unless the governing documents provide for a longer time. The failure to pay association assessments may result in the loss of an owner's property through foreclosure. Foreclosure may occur either as a result of a court action, known as judicial foreclosure or without court action, often referred to as nonjudicial foreclosure. For liens recorded on and after January 1, 2006, an association may not use judicial or nonjudicial foreclosure to enforce that lien if the amount of the delinquent assessments or dues, exclusive of any accelerated assessments, late charges, fees, attorney's fees, interest, and costs of collection, is less than one thousand eight hundred dollars (\$1,800). For delinquent assessments or dues in excess of one thousand eight hundred dollars (\$1,800) or more than 12 months delinquent, an association may use judicial or nonjudicial foreclosure subject to the conditions set forth in Section 1367.4 of the Civil Code. When using judicial or nonjudicial foreclosure, the association records a lien on the owner's property. The owner's property may be sold to satisfy the lien if the amounts secured by the lien are not paid. (Sections 1366, 1367.1, and 1367.4 of the Civil Code).

In a judicial or nonjudicial foreclosure, the association may recover assessments, reasonable costs of collection, reasonable attorney's fees, late charges, and interest. The association may not use nonjudicial foreclosure to collect fines or penalties, except for costs to repair common areas damaged by a member or a member's guests, if the governing documents provide for this. (Sections 1366 and 1367.1 of the Civil Code).

The association must comply with the requirements of Section 1367.1 of the Civil Code when collecting delinquent assessments. If the association fails to follow these requirements, it may not record a lien on the owner's property until it has satisfied those requirements. Any additional costs that result from satisfying the requirements are the responsibility of the association. (Section 1367.1 of the Civil Code)

At least 30 days prior to recording a lien on an owner's separate interest, the association must provide the owner of record with certain documents by certified mail, including a description of its collection and lien enforcement procedures and the method of calculating the amount. It must also provide an itemized statement of the charges owed by the owner. An owner has a right to review the association's records to verify the debt. (Section 1367.1 of the Civil Code).

If a lien is recorded against an owner's property in error, the person who recorded the lien is required to record a lien release within 21 days, and to provide an owner certain documents in this regard. (Section 1367.1 of the Civil Code)

The collection practices of the association may be governed by state and federal laws regarding fair debt collection. Penalties can be imposed for debt collection practices that violate these laws.

PAYMENTS

When an owner makes a payment, he or she may request a receipt, and the association is required to provide it. On the receipt, the association must indicate the date of payment and the person who received it. The association must inform owners of a mailing address for overnight payments. (Section 1367.1 of the Civil Code). An owner may dispute an assessment debt by submitting a written request for dispute resolution to the association as set forth in Article 5 (commencing with Section 1368.810) of Chapter 4 of Title 6 of Division 2 of the Civil Code. In addition, an association may not initiate a foreclosure without participating in alternative dispute resolution with a neutral third party as set forth in Article 2 (commencing with Section 1369.510) of Chapter 7 of Title 6 of Division 2 of the Civil Code, if so requested by the owner. Binding arbitration shall not be available if the association intends to initiate a judicial foreclosure.

An owner is not liable for charges, interest, and costs of collection, if it is established that the assessment was paid properly on time. (Section 1367.1 of the Civil Code).

MEETINGS AND PAYMENT PLANS

An owner of a separate interest that is not a timeshare may request the association to consider a payment plan to satisfy a delinquent assessment. The association must inform owners of the standards for payment plans, if any exist. (Section 1367.1 of the Civil Code).

The board of directors must meet with an owner who makes a proper written request for a meeting to discuss a payment plan when the owner has received a notice of a delinquent assessment. These payment plans must conform with the payment plan standards of the association, if they exist. (Section 1367.1 of the Civil Code).

Section 1363.005 of the California Civil Code provides that the following "Disclosure Documents Index" be provided to any member at the member's request. It is being provided as part of the annual disclosures.

Disclosure Documents Index

<u>Item & Description</u>	<u>Civil Code Section Reference</u>
1. Assessment and Reserve Funding Disclosure Summary (form)	1365.25
2. Pro Forma Operating Budget or Pro Forma Operating Budget Summary	1365 (a)
3. Assessment Collection Policy	1365 (c) & 1367.1 (a)
4. Notice Assessments and Foreclosure (form)	1365.1
5. Insurance Coverage Summary	1365 (f)
6. Board Minutes Access	1363.05 (c)
7. Alternative Dispute Resolution (ADR) Rights (summary)	1369.590
8. Internal Dispute Resolution (IDR) Rights (summary)	1363.85
9. Architectural Changes Notice	1378 (c)
10. Secondary Address Notification Request	1367.1 (k)
11. Monetary Penalties Schedule	1363 (g)
12. Reserve Funding Plan (summary)	1365 (b)
13. Review of Financial Statement	1365 (c)
14. Annual Update of Reserve Study	1365 (a)